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File No. Co-op II/42

Legal **DEPARTMENT**

B **BRANCH**

P. 18(E) - 1942

Subject:—

Rules and Notifications under the Bombay Co-operative Societies Act, 1925

File No. Co-op II/42

Std. Sectt. Slip 24 B c.

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C O N T E N T S.

Legal Department File No. Co-op. II/42.

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S.A.K.
3/5/43.

Office of the R.L.A.

A revised draft order is sent herewith.

C.G. Sd/-

Remembrancer of Legal Affairs.

U.H. to R.D.No. 205, dated the 9th January 1942.

S.A.K.
2/5/

Order:

Revenue Department.

Bombay Castle, 1942.

The Bombay Cooperative Societies Act- 1925.

No. 6733/3912 In exercise of the powers ~~reserved~~ conferred by section 67 of the Bombay Co-operative Societies Act, 1925. (Bom. VII of 1925), the Government of Bombay is pleased to direct that the provisions of sub-section (2) of section 39 of the said Act shall apply to the 6th D.C.O. Lancers Co-operative Thrift Society, Ltd., with the modification that for the figures and letters "½ th" occurring in the said sub-section, the words "five per cent" shall be substituted.

By order of the Governor of Bombay.

Secretary to Government.

S.A.K.
2/ /56

ORDER.

Revenue Department.

Bombay Castle. January 1942.

The Bombay Co-operative Societies Act, 1925-

No. 5132/39.- In exercise of the powers conferred by section 67 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925) the Government of Bombay is pleased to direct that-

(i) the provisions of clause (c) of section 3 of the said Act shall apply to the Bombay Co-operative Marketing Society Limited with the modification that the word "person" in the definition of the term "member" shall include a firm;

(ii) the provisions of sub-section (2) of section 39 of the said Act shall apply to the said society with the modification that for the figures and letters "15th" occurring in the said sub-section the words "fifteen per cent" shall be substituted;

(iii) the provision of rule 8 of the Bombay Co-operative Societies Rules, 1927, shall apply to the said society with the modification that in calculating the total amount of liabilities of the said society, a sum equal to the amounts borrowed by it for giving advances to its members on the security of their agricultural produce, farms or farmers' requisites shall be deducted from the amount of the actual liabilities of such society; and

(iv) the proviso of clause (a) of sub-rule (ii) of rule 24 of the said rules

shall apply to the said society with the modification that, every year, out of balance of the net profits of the society remaining after deducting therefrom 15 per cent. on account of the reserve fund, a sum shall be set aside sufficient to pay the shareholders a dividend not ~~exceeds~~ exceeding 6¼ per cent. on the paid up share capital standing in the name of each shareholder and if during any year or years no divident at all or a divident less than 6¼ per cent. has been paid, it shall be lawful for the society to pay to its memberson the paid up share capital standing in their names, dividend in any other year in excess of 6¼ per cent. provided that the average of the dividends so paid shall not exceed 6¼ per cent. per year.

By order of the Governor of Bombay,

Secret-ary to Government.

S.A.K.
2/5/56

Office of the R.L.A.

A revised draft order is sent herewith.

O.C. P.N.Moos.

12/1

Remembrancer of Legal Affairs.

U.R. to R.D.No. 325, dated the 13 th January 1942

S.A.K.

2/5/56.

Office of the R.L.A.

A revised draft notification is sent herewith

2. The expression "financing agency" is not defined in the Act or in the rules. R.D. is requested to consider whether it would not be desirable to insert a definition of this expression in the rules. (cf. R.L.A's opinion No. 9698, dated the 11th November 1941).

.C. P.N.Menon

10.2

Remembrancer of Legal Affairs.

U.R. to R.D.No. 1251, dated the 11th February 1942.

S.A.K.
2/5/56.

Notification.

Revenue Department.
Bombay Castle. 1942.

The Bombay Co-operative Societies Act, 1925.

No. 3791/33 :- The following draft of a notification, which it is proposed to issue under section 71 of the Bombay Co-operative Societies Act, 1923 (Bom. VII of 1925), is published, as required by sub-section (4) of the said section 71 for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration by the Government of Bombay on or after 1942.

2. Any objection or suggestion which may be received by the Secretary to Government, Revenue Department, from any person with respect to the said draft before the date aforesaid will be considered by Government:-

Draft Notification.

No. :- In exercise of the powers conferred by section 71 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to amend the Bombay Co-operative Societies Rules, 1927, published in Government Notification in the Revenue Department, No. 5978/24, dated the 11th August 1927, as follows, namely:-

After rule 12 of the said rules, the following new rule shall be inserted, namely:-

"12A. Approval of financing agency or Registrar before intimating Debt Adjustment Board the amount of remission a society is willing to give:- No society shall without the approval of the financing agency or the Registrar intimate to the Debt Adjustment

Board under sub-section (4) of section 47 of the Bombay Agricultural Debtors Relief Act, 1939 the amount of remission which it is willing to give in respect of the debt due to it by any member."

By order of the Governor of Bombay ,

Secretary to Government.

S.A.K.

2/5/56.

The Bombay Co-operative Societies Act-1925.

Order.

Revenue Department.

Bombay Castle. February 1942

No. 6952/39 :- In exercise of the powers conferred by sub-section (2) of section 31 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to direct that no officer of any of the following societies shall in any legal proceedings to which such society is not a party be merely compelled to produce any of such society's books, the contents of which can be proved under sub-section (1) of the said section 31 or to appear as a witness to prove the matters, transactions and accounts therein recorded, unless by order of the Court or a Judge made for special cause.:

1. All District Central Co-operative Banks.
2. All Urban CoOperative Banks with a share capital of more than Rs. 20,000.
3. The Bombay Provincial Land Mortgage Bank, Limited.
4. The Bombay Provincial Co-operative Marketing Society.
5. The Bombay Provincial Co-operative Insurance Society.

By order of the Governor of Bombay.

Secretary to Government.

S.A.K.

2/5/56.

Office of the R.L.A.

A revised draft order is sent herewith.

C.C. N.K.D.

26/.

for 'Remembrancer of Legal Affairs.

U:L. to R.D.No. 1817, dated the 27th Feb. 1942.

S.A.K.
2/3/56.

Office of the R.L.A.

A revised draft order is enclosed herewith.

As provided by section 12 of the Act, it was necessary for the Society in question to hold its annual general meeting for the year 1941 within a period of 3 months from the 30th June 1941. It was necessary to extend the said period before it expired. The present proposal, therefore, amounts to giving retrospective effect to the proposed draft order under section 67 of the Act. This section, however, does not provide for making an order retrospectively. The proposed order is therefore of doubtful validity (cf. R.L.A.'s No. 8270, dated 20th September 1941).

O.C. R.K.D.
5/3

for Remembrancer of Legal Affairs.

U.O. to R.D.No. 198 , dated the 5th March 1942.

S. .K.

2/3/56.

ORDER.

Revenue Department.

Bombay Castle. March 1942.

The Bombay Co-operative Societies Act 1925.

No. 10043/33:9 In exercise of the powers conferred by section 67 of the Bombay Co-opertive Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to direct that the provisions of section 12 of the said Act shall apply to the Hubli Co-operative Cotton Sale ~~Act shall apply~~ Society Limited, Hubli, in the Dharwar District, which is registered as a society under the said Act, with the modification that the society shall call a general meeting of its members for the year 1941 within a period of ten months after the 30 th day of June 1941.

By order of the Governor of Bombay ,

Secretary to Government.

S.A.K.

2/5/56.

Notification

Revenue Department

Bombay Castle, 1942.

No. :- The following draft of ~~a-notification-which-it-is-proposed~~ a notification which it is proposed to issue under section 71 of the Bombay Co-operative Societies Act, 1925(Bom. VII of 1925), is published as required by sub-section (4) of the said section 71, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration by the Government of Bombay on or after the

2. Any objection or suggestion which maybe received by the Secretary to Government, Revenue Department, from any person with respect to the said draft before the date aforesaid will be considered by Government.

Draft Notification.

No . :- In exercise of the powers conferred by section 71 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to amend the Bombay Co-operative Societies Rules, 1927, Published in Government Notification in the Revenue Department No. 5976/24 dated the 11th August 1927, as follows, namely:-

(1) In rule 8 of the said rules, for the words " of the Bombay Provincial Co-operative Bank or a District Central Co-operative Bank for the purposes of this rule" the following words shall be substituted namely:-

"for the purposes of this rule, in the case of an agricultural sales society, purchase

and sale society, or a multipurpose society, specified by the Registrar by general or special order in that behalf, a sum equal to the amounts borrowed by such society from a central financing agency for giving advances on the security of agricultural produce shall be deducted from the of the actual liabilities of such society and in the case of the Bombay Provincial Co-operative Bank or a Dist. Central Co-operative Bank."

(2) To rule 5 of the said rules the following shall be added, namely:-

"Explanation. For the purposes of this rule, a "central financing agency" shall mean a society the primary object of which is to lend money to other societies."

By order of the Governor of Bombay,

Secretary to Government.

S.A.K.

2/5/56.

Office of the R.L.A.

A revised draft notification is sent herewith

2. The Revenue Department draft of the propos d definition of "central financing agency" refers to "registered societies". Presumably the intention is that the expression "registered societies" should cover also societies deemed to be registered under the Act (cf. section 3(c) of the Bombay Co-operative Societies Act). The draft has been suitably revised to carry out this intention.

C.C. F.B.Moos.

6/3

Remembrancer of leg l Affairs.

U.M. to R.D. No. 2060, dated the 7th March 1942.

S.A.K.

7/5/56.

Office of the R.L.A.

The conditions mentioned in Government Resolution Revenue Department, No. 3353/38, dated the 8th October 1941 on page 63 ante cannot properly be embodied in the Order in question (vide R.L.A's No. 155/ dated the 16th March 1932 on page 21 ante), No. from Order under section 67 is therefore, necessary.

O.O. P.N.Moos

6/3

Remembrancer of Legal Affairs.

U.R. to R.D.No. 2085, dated the 7th March 1942.

S.A.K.
2/5/56.

Revenue Department.
Bombay Castle. March 1942.

The Bombay Co-operative Societies Act, 1925 -

No. 5533/39 :- The following draft of a notification, which it is proposed to issue under section 71 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), is published, as required by sub-section (4) of the said section 71 for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration by the Government of Bombay on or after the 15 th April 1942.

2. Any objection or suggestion which may be received by the Secretary to Government, Revenue Department, from any person with respect to the said draft before the date aforesaid will be considered by Government.

Draft Notification.

No. :- In exercise of the powers conferred by section 71 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to amend the Bombay Co-operative Societies Rules, 1927, as follows, namely:-

In rule 27 of the said rules,

(a) after clause (a) the following new clause shall be inserted, namely:-

"(b) in loans raised by a local authority in the Province of Bombay under the authority of the Local Authorities Loans Act, 1914 (IX of 1914)

and

(b) the existing clauses (b) and (c) shall be renumbered as clauses (c) and (d) respectively.

By order of the Governor of Bombay,
M.J.Desai,
Secretary to Government.

Office of the R.L.A.

The draft notific ation on pages 23-24 ante, as amended, is legally is legally in order.

O.C. P.N.M.

25/3.
Remembrancer of Legal Affairs.

U.R. to R.D.No. 2697, dated 25-3 -1942.

S.A.K.

Office of the R.L.A.

A revised draft bye-law is forwarded herewith.

2. For the reasons stated in paragraph (b) of R.L.A's opinion No. 7575 dated 28th August 1941 at p. 73 ante the expression "regulations" has been substituted for "rules" in the bye-law. The word "affiliated" prefixed to the phrase "primary Bank" is redundant in view of the definition in bye-law 3(f). The word "loan" is preferable legally to the word "accommodation" is vague. It is desirable to fix a definite term for the intended short-term loan. The draft is revised accordingly.

Sd/-P.N.M.

25/11

Remembrancer of Legal Affairs.

U.R. to R.D. No. 3629, dated the 29th April 1942.

S.A.K.
2/5/56.

Revised draft bye-law.

The term of the loan which is intended to be short.

63A Notwithstanding anything contained in bye-laws 60 to 63 it shall be competent to the bank to grant loans for a period not exceeding .....to a primary bank for meeting its cost of management on the security of it fixed deposits with the bank or of the shares of the Reserve bank of India Government securities held by it. The grant of such loans shall be in accordance with the regulations made in that behalf by the board with the previous approval of the Registrar.

S.A.K.
2/5/56.

Office of the R.L.A.

The draft notification on page 7 ante as amended is in order. As the power under rule 45 is to be delegated to the Deputy and Assistant Registrars, for the words "or the person authorized by him in that behalf" the words" , the Deputy & Registrar or the Assistant Registrar" have been substituted.

O.C. P.N.Moos.

2/6

Remembrancer of Legal Affairs.

U.R. to R.D. No. 4561 I dated the 3rd June 1942.

S.A.K.
2/5/56.

ORDER

Revenue Department.
Bombay Castle, 1942.

The Bombay Co-operative Societies Act 1925

No. I- In exercise of the powers conferred by section 57 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925) the Government of Bombay is pleased to direct that the provisions of section 37 of the said Act shall apply to the Bombay Co-operative Insurance Society, Limited, with the modification that, subject to the provisions of sub-section (1) of section 27 of the Insurance Act, 1938 (iv. of 1938) the said Society may also invest its funds in any ~~of Society may also invest~~ of the shares or securities specified below, namely:-

(1) Debentures of Railways in India.

(2) Preference or guaranteed shares of Railways in India.

(3) Debentures or Debenture Stocks of Companies incorporated in India.

(4) Preference or guaranteed stocks or shares of Companies incorporated in India.

By order of the Governor of Bombay.

Secretary to Government.

S.A.K.
2/5/56.

Office of the R.I.A.

A revised draft order is sent herewith .

(2) Obviously the intention is that the Bombay Co-operative Insurance Society, Ltd., may invest in any of the investmentsment mentioned at p. 5 ante or in the investments mentioned in section 37. It would not therefore, be appropriate to exempt the said Society from the provisions of section 37. It would be necessary to direct that the provisions of section 37 shall apply to the society with the modification that the society may also invest its funds in any of the investments mentioned at p. 5 ante. The revised draft order provides accordingly.

3. Before it is issued, the R.D. should verify whether all the investments specified in the revised draft order are approved securities for the purposes of section 27(1) of the Insurance Act, 1938 (IV of 1938).

O.C. Sd/-

For Remembrancer of Legal Affairs.

U.R. to R.D.No. 4669, dated the 6th June 1942.

S.A.K.
2/5/56.

Office of the E.L.A.

A revised draft order is sent herewith.

ed/- N.K.D.

17/9

for Remembrancer of Legal Affairs.

U.H. to E.D. No. 7491 dated the 17 th September 1942.

E.I.No. 9525

15/9/42.

S.A.K.

15/56.

Order.

Revenue Department.
Bombay Castle, September 1942.

Bombay Co-operative Societies Act, 1925.

No. 5182/39 :- In exercise of the powers conferred by section 67 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to direct that the provisions of section 12 of the said Act, shall apply to the Bombay Co-operative Marketing Society, Limited, Bombay, which is registered as a society under the said Act, with the modification that the society shall call a general meeting of its members for the year 1942 within a period of four months after the 30th day of June 1942.

By order of the Governor of Bombay,

Secretary to Government.

S.A.K.
3/5/56.

O R D E R

Revenue Department.

Bombay Co-operative Societies Act, 1923.

Bombay Castle. 1942.
No. 6824/33. In exercise of the powers conferred by section 67 of the Bombay Co-operative Societies Act, 1925 (Bom. VII of 1925), the Government of Bombay is pleased to exempt the Guledgud Industrial Co-operative Bank, Limited, from the operation of rule 18 of the Bombay Co-operative Societies Rules 1927 for a period of one year beginning from 1st July 1942

By order of the Governor of Bombay

Secretary to Government.

S.A.K.
3/5/56.

Office of the R.L.A.

The draft notification at page 15 isin order.

2. It isproposed to exempt the Bank in question from the operation of rule 18 with effect from 1st July 1942. i.e. retrospectively. Attention of the Revenue Department is, therefore, invited to the remarks in paragraph 2 of the R.L.A.s No. 8270 , dated the 20 th September 1941.

Sd/- N.K.D.

22/9

For Remembrancer of Legal Affairs,

U.R. to th R.D.No. 7720 dated the 24th September. 1942.

R.I.No.
9824
13/9/42.

S...K.
3/5/56.